



STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064
916 445-4982 • FAX 916 323-8765
www.boe.ca.gov

BETTY T. YEE
Acting Member
First District, San Francisco

BILL LEONARD
Second District, Sacramento/Ontario

CLAUDE PARRISH
Third District, Long Beach

JOHN CHIANG
Fourth District, Los Angeles

STEVE WESTLY
State Controller, Sacramento

RAMON J. HIRSIG
Executive Director

September 16, 2005

No. 2005/055

TO COUNTY ASSESSORS AND INTERESTED PARTIES:

OPEN-SPACE LAND INTEREST COMPONENT – 2006 LIEN DATE

In accordance with section 423(b) of the Revenue and Taxation Code, the Board is required to announce, no later than October 1, an interest component of the capitalization rate to be used in the valuation of lands assessed under sections 423, 423.5, and 426.

Section 423(b)(1) provides that the interest component shall be:

...the arithmetic mean, rounded to the nearest 1/4 percent, of the yield rate for long-term United States government bonds, as most recently published by the Federal Reserve Board as of September 1, and the corresponding yield rates for those bonds, as most recently published by the Federal Reserve Board as of each September 1 immediately prior to each of the four immediately preceding assessment years.

Information received from the Federal Reserve Board indicated the yield rates were 5.44 percent as of August 24, 2001; 4.24 percent as of August 23, 2002; 4.47 percent as of August 22, 2003; 4.25 percent as of August 27, 2004; and 4.20 percent as of August 29, 2005. The arithmetic mean of 5.44, 4.24, 4.47, 4.25, and 4.20 is 4.52; when rounded to the nearest one-quarter percent, the interest component for the **2006** assessment year is **4.5 percent**.

The interest components announced for prior lien dates are enclosed.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG:grs
Enclosure

OPEN-SPACE LAND ASSESSED UNDER SECTIONS 423, 423.5, AND 426
OF THE REVENUE AND TAXATION CODE

INTEREST COMPONENTS FOR PRIOR YEARS

Lien Date	Interest Component
2005	4.75
2004	5.25
2003	5.25
2002	5.75
2001	6.00
2000	6.25
1999	6.75
1998	6.75
1997	7.00
1996	7.00
1995	7.00
1994	6.75
1993	7.25
1992	8.00
1991	9.00
1990	8.25
1989	9.50
1988	9.00
1987	7.25
1986	10.50
1985	12.50
1984	12.00
1983	12.50
1982	14.50
1981	11.00
1980	9.00
1979	8.50
1978	7.00
1977	6.75
1976	7.25
1975	7.25